(c) whether in view of the above, there was a shortfall in reaching the target set for the scheme;

(d) if so, action taken by Government during the revival scheme to arrange the necessary working capital; and

(e) the status of the revised projection plan after the review meeting of BIFR in July, 1996?

THE MINISTER OF CHEMICALS AND FERTILIZERS (SHRI M. ARUNACHALAM): (a) Yes, Sir. SSPL did not receive any cash credit facilities upto June, 1995. The Indian Overseas Bank (IOB) released cash credit assistance of Rs. 127 lakhs in three instalments, one of Rs. 49 lakhs in September, 1995, Rs. 53 lakhs in February, 1996 and Rs. 25 lakhs in March, 1996.

(b) Yes, Sir.

(c) and (d) The company has been facing working capital constraints. However, the Government had, during the years 1994-95 to 1996-97, provided a total financial assistance of Rs. 12.23 crores, including non-plan assitance of Rs. 9.73 crores, as against Rs. 5.64 crores envisaged in the sanctioned revival package.

(e) the revised projections, prepared by the company, are under examination of the Operating Agency, namely, the Industrial Investment Bank of India, Calcutta (formerly Industrial reconstruction Bank of India (IRBI).

Policy relating to production and import of fertilizers

1110. DR. ALLADI P. RAJKUMAR: Will the Minister of CHEMICALS AND FERTILIZERS be pleased to state:

(a) the policy framework governing the production, movement and import of fertilizers; and

(b) by when the new fertilizer pricing policy will be announced keeping in view the affordability by the farmers and also fair returns for the industry?

THE MINISTER OF CHEMICALS AND FERTILIZERS (SHRI M. ARUNACHALAM): (a) It has been the policy of the Government to achieve the maximum possible degree of self-sufficiency in the production of Nitrogenous fertilizers based on utilization of indigenous feedstocks. In the case of Phosphatic fertilizers, the country is heavily dependent on imports in the form of raw-materials, intermediates or finished products, given the paucity of domestic raw-materials. The entire requirement of potassic fertilizers is met by imports, as there are no known commercially exploitable reserves of potash in the country.

At present, urea is the only fertilizers under distribution and movement controls under the framework of the Essential Commodities Act (ECA), 1955. The distribution and movement of urea are regulated in accordance with the ECA allocations made for each crop season. The gap between the demand and indigenous availability of urea is met through imports.

The distribution and import of decontrolled fertilizers are governed by the market forces of demand and supply. The Government has introduced a scheme of special concession on decontrolled phosphatic and potassic fertilizers with a view to reducing their farm gate prices and encouraging their consumption.

(b) A High Powered Fertilizer Pricing Policy Review Committee has been constituted to review the existing system of subsidization of urea and suggest an alternative, broad based, scientific and transparent methodology. A decision on the future fertilizer pricing policy would be taken on receipt of the Report of the High Powered Committee.